

Corrosion Management International Inc.

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October 16, 2001

Honorable Phillip N. Asprodites Commissioner of Conservation Office of Conservation P.O. Box 94275 Baton Rouge, LA 70804-9275

RE: Tokio Formation
Leatherman Creek Field
Claiborne Parish, Louisiana

APPLICATION FOR PUBLIC HEARING

Dear Sir:

Application is hereby made on behalf of Q.V. Services, Inc. pursuant to the revised rules of procedure for a public hearing to consider evidence relating to the following matters pertaining to the Tokio Formation, in the Leatherman Creek Field, Claiborne Parish, Louisiana:

- To establish the Tokio Formation in the Leatherman Creek Field, Claiborne Parish, Louisiana, has been economically depleted of hydrocarbons;
- 2. To authorize Q.V. Services, Inc. to inject produced salt water into the Tokio Formation in the Leatherman Creek Field, Claiborne Parish, Louisiana, through the wellbore of the proposed Q.V. Services SWD Well No. 001, at the location indicated on the enclosed plat(See Attachment 1).
- 3. To consider and cover such other matters as the Commissioner of Conservation may deem appropriate and necessary under the circumstances.

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The Tokio Formation in the Leatherman Creek Field, Claiborne Parish, Louisiana, is defined as that sand occurring between the electric log depths of 2970 feet and 3600 feet in the McRae Oil Corporation Hough #001 Well (Serial #169793) located in the Northeast Quarter of Section 25, Township 19N, Range 08W, Claiborne Parish, Louisiana. The McRae Oil Corporation Hough #001 Well is located 1300 feet NNE of the proposed Q.V. Services SWD Well No. 001.

The Tokio Formation had minimal production from two wells within a mile of the proposed Q.V. Services SWD Well No. 001. There is no longer any active production of hydrocarbons from the Tokio Formation in the Leatherman Creek Field. The last recorded production in the Tokio Formation, within a one mile radius of the proposed Q.V. Services SWD Well No. 001, was on May 1, 1982.

Q.V. Services, Inc. proposed well, Q.V. Services SWD No.1, will be utilized as a salt water disposal well in the Tokio formation. The Tokio formation is no longer capable of the economic production of hydrocarbons. It is proposed that the Q.V. Services SWD Well No. 001 be perforated for disposal of salt water at the depths of 2970 feet to 3600 feet interval (Tokio Formation). The maximum volume of salt water to be disposed of is 8640 barrels per day. The proposed well will be completed in a manner to insure that salt water will be injected only into the proposed zones of disposal.

The subject matter of this application does not require the issuance of a pre-application notice.

Any pertinent data relating to this matter can be obtained at the cost of the requesting party, from Mr. Earl Champagne, PE, Engineering Manager, Corrosion Management International, Inc. (CMI), 315 South College, Suite 285, Lafayette, Louisiana, 70503, telephone number (337) 233-8201, Email cmi-echampagne@cox-internet.com.

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The attached list includes the names of all Interested Owners, Represented Parties and Interested Parties known to the Applicant after a diligent search. A copy of this application, with plat attached, is being sent to each such party. Pursuant to the Office of Conservation regulations, such list of parties is being furnished only to the Commissioner of Conservation and to the District Manager of the Shreveport District of the Office of Conservation; however, the list of parties will be provided to any person requesting a copy of it. Also enclosed is the Office of Conservation application fee.

Yours very truly,

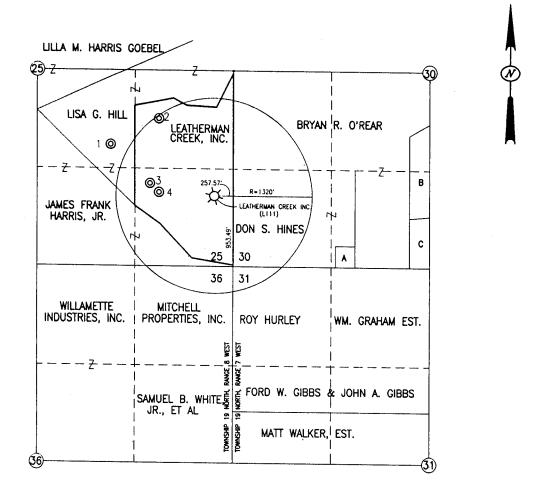
Donald R. Harrington

President

Corrosion Management International, Inc.

Enclosures

CC: Mr. Jim Broussard District Manager, Shreveport, LA Interested Owners, Represented Parties and Interested Parties



PLAT SHOWING LOCATION

Q V SERVICES, INC. Q V SERVICES SALTWATER DISPOSAL WELL NO. 1 OPERATOR NO. LEATHERMAN CREEK, INC. (L111)

LOCATED 953.49 FEET NORTH FROM THE SOUTH LINE AND 257.57 FEET WEST FROM THE EAST LINE OF SECTION 25, TOWNSHIP 19 NORTH, RANGE 8 WEST, CLAIBORNE PARISH, LOUISIANA.

JULY 3, 2001 REVISED JULY 10, 2001

SCALE: 1" = 1000'

LATITUDE-N 32'36'07.046422" LONGITUDE-W 93'08'06.705639" DATUM: NAD-27

ELEVATION OF GROUND-228.7 DATUM: NAD-27

N 704552.440402 (Y COORDINATE) E 1804375.951936 (X COORDINATE) DATUM: NAD-27 (US SURVEY FOOT)

EXISTING WELLS

- 2-McRAE OIL CORPORATION-HOUGH #1-STATUS: P & A

LANDOWNERS
A-ELLIAH WALTON
B-PRESTON & PRESTON
C-CLAUDE H. YOUNT

